

Iowa Eligibility Application Direct Certification *hawk-1* Verification Overview: Focus on Income Eligibility

Nancy Christensen, Consultant
Nutrition, Health, and Transportation Services

Eligibility based on income

- Determine household size
- Determine income
 - Regular wages
 - Self employment income
 - Unusual situations
- Foster children





etermining Household Size

- ▶ Related or unrelated persons living as one economic unit and who share housing and/or significant income and expenses.
- ▶ Separate economic units in the same house are characterized by prorating expenses and economic independence from one another.

Blended households (parent and children plus other adult) must report all income, even if the non-biologically related adult has no financial responsibility for children

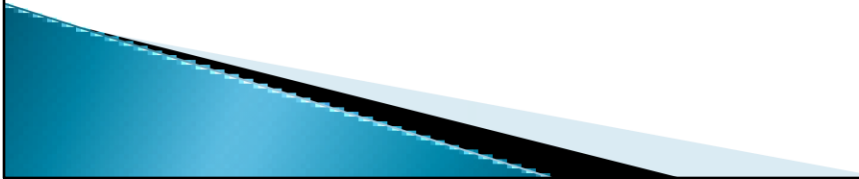
Special Situations

- Child away at school – Member of the household, and child's income must be reported
- Child living with relatives or friends – Generally a member of the household with whom they live
- Homeless families may be counted as household members of host family

A homeless child's name may appear on two applications, one to determine homelessness and one as a member of a host family

MORE Special Situations

- ▶ Adopted child – If they have legal responsibility, the child is a household member.
- ▶ Subsidized adoption – Be sure to include subsidy in household income.
- ▶ Joint custody – Greatest benefit level used.
- ▶ Foreign Exchange student – Member of the host family.



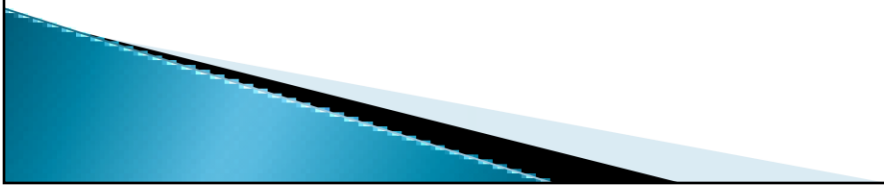
Determining Income



- ▶ Gross income (before taxes)
 - Current earnings from work
 - Welfare/child support/alimony but NOT Food Assistance
 - Retirement/Social Security/disability benefits
 - Any other income

Current Income

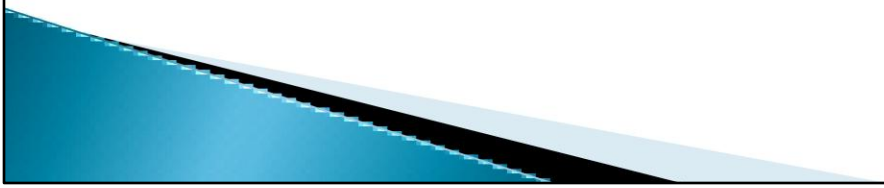
- ▶ Current income is based on the most recent information available
 - Current month
 - Amount projected for the first month the application is made for
 - The month prior to the application
- ▶ Project income only in certain circumstances (self-employed, seasonal)



May use projected income for households such as teachers who work part of the year and are not paid for some months.

Irregular or Variable Income

- ▶ “Usual” income, if most months are about the same
- ▶ Average income per month if there is a high level of variability
- ▶ Include overtime pay if it is usually received.



These are judgments the determining official must make when processing applications. You may choose a method that results in better benefits.

Self Employment Income

- ▶ Usual or average income
- ▶ After business expenses are deducted
- ▶ No deductions for personal expenses
- ▶ May use Federal 1040 from last year IF income this year is about the same as last year
- ▶ The smallest income allowed is zero



If income is very different, household must make an estimate. DO NOT ROUTINELY VERIFY!

Form 1040

Income	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	
	8a	Taxable interest. Attach Schedule B if required	8a	
	b	Tax-exempt interest. Do not include on line 8a	8b	
	9a	Ordinary dividends. Attach Schedule B if required	9a	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	b	Qualified dividends (see page 23)	9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes (see page 23)	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	
If you did not get a W-2, see page 22.	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	IRA distributions	15a	
	b	Taxable amount (see page 25)	15b	
Enclose, but do not attach, any payment. Also, please use Form 1040-V.	16a	Pensions and annuities	16a	
	b	Taxable amount (see page 25)	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Social security benefits	20a	
	b	Taxable amount (see page 27)	20b	
	21	Other income. List type and amount (see page 29)	21	
	22	Add the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	

These are the lines from the Federal 1040 to use for self employment income.

Self-Employment Income Worksheet: This worksheet will assist you in calculating the amount to report if you engage in farming, are self employed or have income from other sources.

The least income possible is zero (no income).

Income from private business operations is to be taken from your most recent U.S. Individual Income Tax Return - Form 1040. Use the lines from the 1040 that are identified.

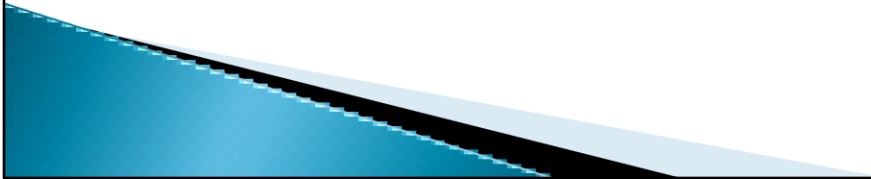
Line 12 - Business income or (loss)	\$ _____
Line 13 - Capital gain or (loss)	\$ _____
Line 14 - Other gains or (losses)	\$ _____
Line 17 - Rental real estate, royalties, partnerships, S corporations, trusts, etc.	\$ _____
Line 18 - Farm income or (loss)	\$ _____
Total	\$ _____
Total ÷ 12 =	_____

Enter amount in the "All Other Income Last Month" column in Part 3 on the front of the Iowa Eligibility Application. **The least income possible is zero (no income).**

These same lines are on the worksheet on the application.

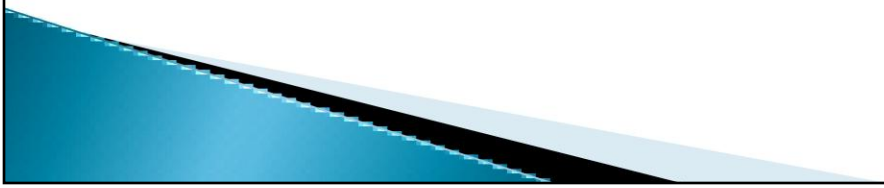
Income USDA vs. IRS

- ▶ IRS and USDA differ in how income is recognized
- ▶ Many deductions allowed by IRS are NOT allowed by USDA
 - Some medical expenses
 - Alimony and child support paid



USDA vs. IRS Continued

- ▶ USDA includes regular withdrawals from savings in income
- ▶ IRS allows carry-over losses from one year to the next for businesses
- ▶ IRS allows off-sets against wages for business losses



Businesses operated by the same household may use losses to offset profits . For example, farm profit can off-set the loss from a home based day care or welding shop. The loss from the welding shop may not be used to off-set wages from a regular job.

Income Received at Different Intervals

- ▶ No conversion is permitted if there is only one source of income or if all sources are received in the same pay frequency (every two weeks, monthly, etc.).
- ▶ Conversion is required if there are multiple income sources with more than one pay frequency. Convert to ANNUAL.



Emphasize PERMITTED and ANNUAL. Conversion rates are on the application.

Conversion Factors

Weekly income x 52

Bi-weekly income (every two weeks) x 26

Semi-weekly income (twice a month) x 24

Monthly income x 12

These factors are on the application



DO NOT CONVERT TO MONTHLY!

Important Points About Conversion

- ▶ Do not round
- ▶ Add all of the unrounded converted values and compare to the Income Eligibility Guidelines for annual income for the household size



Income Special Situations

- ▶ Military benefits – Benefits received in cash are income
- ▶ Deployed service members – Only the portion made available to the family or on their behalf is income
 - Deployed service members may be counted in the household



- ▶ Foster or Institutionalized Child
 - Name of child
 - Child's personal income (probably will be 0)
 - Signature (foster parent, guardian or head of institution)
- ▶ Each foster child MUST have their own application. They MAY NOT be included as part of the foster household
- ▶ 0 income does not require a temporary approval

May also not be included on one application as a family group. Call attention to changes in the application.

Part 2. Children enrolled. REQUIRED OF ALL APPLICANTS. If applicable, list FIP or Food Assistance Case Numbers.										
List name(s) of all enrolled child(ren) in your household. Children's Racial and Ethnic identities are optional. Provide one or more if you choose (see code).										
Ethnicity: H=Hispanic or Latino, N=Non Hispanic or Latino			Race: A=Asian B=Black or African American I=American Indian or Alaska Native P=Native Hawaiian or other Pacific Islander W=White							
Last Name	First Name	Middle Name or Initial	Check box for FOSTER child	Date of Birth	Grade	ETHNICITY	RACE	Name of School/ Head Start/ Child Care Center	FIP Case Number (1 per child) NOTE: REFER TO NOTICE OF DECISION FOR CASE NUMBER.	Food Assistance Case Number (1 per child) NOTE: REFER TO NOTICE OF DECISION FOR CASE NUMBER.
							OPTIONAL			
1			<input type="checkbox"/>							
2										
3										
4										
5										



Note the change to the application for foster children.

Temporary Approvals

- ▶ For zero income, temporary layoffs, strikes, temporary disability
- ▶ A maximum of 45 calendar days is recommended for temporary approvals
- ▶ The household must reapply or indicate that their income has not changed
- ▶ The LEA is responsible to make the contact with the household



You may make notes on the application itself to record your contacts and the outcome.

Web Addresses

- ▶ DE website:

<http://www.iowa.gov/educate/>

Click on Nutrition on the left

- ▶ CNP 2000 website:

<https://www.edinfo.state.ia.us/CNP/AppChoice.asp>

Email for passwords

- ▶ Forgotten passwords, that is...
- ▶ `CNP2000@iowa.gov`



Contact E-Mail addresses and phone numbers

- ▶ Main number
515-281-5356
- ▶ Nancy Christensen, Consultant
nancy.christensen@iowa.gov
515-281-5663
- ▶ Or your area consultant

